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 and Vi Healthcare Finance, Inc.

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA, FRESNO DIVISION

In re:

SOUTHERN INYO HEALTHCARE
 DISTRICT,

Chapter 9 Debtor.

SOUTHERN INYO HEALTHCARE
 DISTRICT,

Plaintiff,

v.

HEALTHCARE CONGLOMERATE
 ASSOCIATES, LLC; VI HEALTHCARE
 FINANCE, INC.; and DOES 1 through 10,

Defendants.

Case No.: 16-10015-A-9

Chapter 9

Adv. Case No.: 18-01031-A

DCN: JSS-01

Hearing

Date: August 28, 2019

Time: 2:00 p.m.

Place: 5th Fl. Ct. Rm. 11

United States Bankruptcy Court
 2500 Tulare Street
 Fresno, CA

Judge: Honorable Fredrick E. Clement

**STIPULATION TO RELEASE LIMITED TAX REVENUES FOR PURPOSES OF
 PAYING MEDIATOR'S FEES AND TO FURTHER CONTINUE STATUS
 CONFERENCE AND HEARING ON MOTION FOR PRELIMINARY INJUNCTION
 AGAINST VI HEALTHCARE FINANCE, INC., FOR SEQUESTRATION OF TAX
 REVENUES PENDING FINAL RULING ON THE MERITS OF THIS ADVERSARY
CASE OR FURTHER ORDER OF THIS COURT**

1 IT IS HEREBY STIPULATED AND AGREED by and between VI Healthcare Finance,
2 Inc. ("Defendant") and Southern Inyo Healthcare District ("Plaintiff"), by counsel, as follows:

3 1. On November 1, 2018, the Plaintiff filed a *Motion for Preliminary Injunction*
4 *Against VI Healthcare Finance, Inc., For Sequestration of Tax Revenues Pending Final Ruling On*
5 *The Merits Of This Adversary Case Or Further Order Of This Court* (the "Motion") [Dkt. No. 29].

6 2. The hearing on the Motion was originally scheduled to take place on November 29,
7 2018 at 2:00 p.m.

8 3. On November 9, 2018, parties stipulated [Dkt. No. 39], and the court made its
9 order approving the stipulation [Dkt. No. 43], to continue the hearing date and time to December
10 19, 2018, at 2:00 p.m.

11 4. On December 7, 2018, the Court made its order approving the parties Stipulation
12 to Further Continue the Hearing with modifications from December 19, 2018 to January 23, 2019
13 at 2:00 p.m. [Dkt. No. 47].

14 5. On January 2, 2109, the parties stipulated [Dkt. No. 57] to further continue the
15 hearing date and time on the Motion to April 24, 2019 [Dkt. No. 57].

16 6. The Court made its *Order Continuing Status Conference and Order Approving*
17 *Stipulation to Further Continue Hearing on Motion for Preliminary Injunction against Vi*
18 *Healthcare Finance, Inc., for Sequestration of Tax Revenues Pending Final Ruling on the Merits*
19 *of this Adversary Case or Further Order of this Court*, which continued hearing on the Motion to
20 May 1, 2019 at 2:00 p.m. and also continued the Status Conference in the adversary proceeding to
21 May 1, 2019 at 2:00 p.m. [Dkt. No. 59].

22 7. Based upon the stipulation of the parties, on April 2, 2019, the Court made a
23 subsequent *Order Continuing Status Conference and Order Approving Stipulation to Further*
24 *Continue Hearing on Motion for Preliminary Injunction against Vi Healthcare Finance, Inc., for*
25 *Sequestration of Tax Revenues Pending Final Ruling on the Merits of this Adversary Case or*
26 *Further Order of this Court*, which continued hearing on the Motion to June 26, 2019 at 2:00
27 p.m. and also continued the Status Conference in the adversary proceeding to June 26, 2019 at
28 2:00 p.m. [Dkt. No. 62].

1 8. Based upon the stipulation of the parties, on June 6, 2019, the Court made a
2 subsequent *Order Continuing Status Conference and Order Approving Stipulation to Further*
3 *Continue Hearing on Motion for Preliminary Injunction against Vi Healthcare Finance, Inc., for*
4 *Sequestration of Tax Revenues Pending Final Ruling on the Merits of this Adversary Case or*
5 *Further Order of this Court*, which continued hearing on the Motion to August 28, 2019 at 2:00
6 p.m. and also continued the Status Conference in the adversary proceeding to August 28, 2019 at
7 2:00 p.m. [Dkt. No. 66].

8 9. Since the Court's last order continuing the hearing on the Motion, the parties have
9 agreed to participate in a mediation session on August 15, 2019 with the Hon. Randall J.
10 Newsome (Ret.) in the Los Angeles area for purposes of attempting to resolve the disputes which
11 are the subject of the above-referenced adversary proceeding.

12 10. Under the circumstances, Defendant and Plaintiff believe it would be mutually
13 beneficial to wait and see if the proposed mediation will be successful and have agreed to
14 continue the hearing again on the Motion from August 28, 2019, at 2:00 p.m. to October 16,
15 2019, at 2:00 p.m.

16 11. Defendant and Plaintiff agree to continue the hearing on the Motion to October 16,
17 2019, at 2:00 p.m., provided that the Inyo County tax revenues at issue in the Motion (the "Tax
18 Revenues") are protected from distribution to any party pending a determination on the Motion
19 by the Court on October 16, 2019; provided however, that the parties agree that funds not to
20 exceed \$15,000 from the Tax Revenues may be released by Inyo County directly to JAMS for the
21 sole purpose of paying the mediator's fees for Judge Newsome.

22 12. Defendant and Plaintiff agree that the release of funds from Inyo County to JAMS
23 shall not constitute a precedent for further releases in the future and that both parties reserve all of
24 their respective rights with respect to Tax Revenues pending further orders of the Court.

25 13. Plaintiff may further supplement the Motion on or before September 25, 2019.
26 Defendant's opposition to the Motion shall be served and filed no later than October 2, 2019, and
27 any reply to the opposition shall be served and filed no later than October 9, 2019.

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14. Plaintiff and Defendant agree that pending a determination on the Motion at the hearing on October 16, 2019 at 2:00 p.m., the Tax Revenues, with the exception of an amount not to exceed \$15,000 for the costs of JAMS mediation, shall not be disbursed to either party and if any disbursement is inadvertently made, any and all Tax Revenues received shall be held and sequestered pending this Court's determination of the Motion.


15. This stipulation is without prejudice to the Defendant's right to oppose the Motion or otherwise oppose the adversary proceeding on the merits.

16. The Status Conference in this proceeding, currently scheduled for August 28, 2019, at 2:00 p.m. shall also be continued to October 16, 2019, at 2:00 p.m. and the parties will file a joint status report and a joint statement of readiness for decision with respect to the Motion no later than October 9, 2019.

17. The parties stipulate and agree to entry of an order approving this Stipulation.

Dated: July 18, 2019

KLEIN, DENATALE, GOLDNER, COOPER,
ROSENLIB & KIMBALL LLP

By: 
HAGOP T. BEDOYAN, Attorneys for Vi
Healthcare Finance, Inc. and Healthcare
Conglomerate Associates, LLC

Dated: July 17, 2019

JEFFREY S. SHINBROT, APLC

By: 
JEFFREY S. SHINBROT, Special
Litigation Counsel for Southern Inyo
Healthcare District